

## Request for Proposals

For an Economic Diversification Study of the NSA Crane Area Economy

Prepared by: Crane Technology, Inc.

For the Indiana Economic Development Corporation (IEDC)

July 24, 2006

Submit Proposals to: Crane Technology, Inc.  
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Proposal Deadline 5:00 p.m. EDT, August 18, 2006

## **Introduction**

The Indiana Economic Development Corporation is seeking a consulting firm to prepare an economic diversification plan for the economic region dependent upon Department of Defense expenditures flowing from NSA Crane. This region includes the Indiana counties of Daviess, Greene, Lawrence, Martin, and Monroe. The goal of this analysis is to lay the foundation for an economic diversification plan for this region that will result in an orderly transition from economic dependence upon defense spending to a more balanced mix of private and public sector employment opportunities for the area's citizens. The project will plan for attracting new businesses or growing existing business focusing on jobs that will utilize the existing workforce and the synergy provided by NSA Crane.

## **Overview**

NSA Crane is a major economic force for much of Southwest Indiana. Its estimated economic impact is approximately \$1.5 Billion. Crane employs approximately 5,200 people including contractors and is one of the largest employers of engineers, scientists, and technicians in Indiana. Crane is situated on a 98 square mile military base about 95% of which is located in Martin County and draws its employees primarily from the five counties mentioned above. Private business can access some of Crane's unique resources for product development and process improvement. The base has a formal technology transfer program and has been proactive in its efforts to engage and interact with Indiana businesses. Crane's business services include: failure and material analysis, material testing, cooperative research and development, environmental testing, battery testing, process engineering and evaluation and prototyping.

## **Need for Preliminary Analysis and a Diversification Plan**

The five counties mentioned above and the towns and cities within those counties have a significant economic dependence upon Crane and Department of Defense expenditures. As the Department of Defense continues to realign the nation's military assets, it is critical that this Southwest Indiana area diversify its economy.

## **Key Stakeholders**

The diversification study will include important stakeholder groups. These include:

- Indiana Economic Development Corporation
- Indiana Department of Workforce Development
- Indiana Office of Energy and Defense Development
- Local and regional economic development organizations (including West Gate @ Crane and the Southern Indiana Development Commission)
- Local elected officials
- The Military Base and Planning Council (MBPC)(Chaired by the Lieutenant Governor)

## **Statement of Work**

The selected consultant will report to the Military Base and Planning Council (MBPC) which includes representatives of the Indiana Economic Development Corporation, the Indiana Office of Energy and Defense Development, the Indiana Office of Federal Grants and Procurement, local elected officials and community leaders, local economic development officials and representatives of Crane Technology, Inc. The consultant(s) will conduct an initial kick off meeting with the MBPC to engage stakeholders in the process, to identify project roles and review the project time frame and goals. At the close of the Assessment phase the contractor will present a summary of findings and may have to conduct interim meetings

### **I ASSESSMENT**

- A. From existing data create an economic profile of the five county economic region affected by NSA Crane which profile will assess the impact of NSA Crane on the regional economy.
- B. An analysis of the strengths, weaknesses, opportunities and threats to determine the five county region's potential to diversify its economy to lessen the dependence on Defense spending.
- C. An analysis of the relationship of major vendors or suppliers of existing enterprises in the five county region and NSA Crane. What relationships already exist that will benefit from growth? What relationships need to be developed?
- D. Analyze and evaluate NSA Crane's existing public private partnerships and technology transfer programs for potential expansion to new or growing operations.
- E. Analyze NSA Crane resources to assist the region in business recruitment, retention and expansion and entrepreneurship.
- F. Identification of supply, transportation, work force, technology, infrastructure and other needs of businesses clusters and industries that are seeking locations for new or growing operations, including the potential for the Westgate @ Crane technology park and the impact of proposed I-69.
- G. Assessment of supply chain potential for NSA Crane and other major businesses clusters and industries in the five county economic regions.
- H. Identification of existing business clusters and industries in the counties or region with the potential to expand or open new facilities, with particular emphasis on Martin, Monroe, Daviess, Greene and Lawrence Counties.
- I. Identification of obstacles and challenges to diversification and quality growth in the four counties of Martin, Monroe, Daviess, Greene and Lawrence. Assessment of actions to mitigate the challenges and leverage the strengths and opportunities for quality growth.

- J. Meet with Purdue University and Indiana University Officials to review their business cluster study of Economic Growth Region 8 (Brown, Daviess, Greene, Lawrence, Martin, Monroe, Orange and Owen) and meet with Central Indiana Corporate Partnership official to review its Indiana Defense Assets Study to determine each studies relevance and potential integration into the diversification strategy being developed.
- K. Identification of business clusters and industry sectors that best match the counties'/region's strengths and opportunities for diversification. The consultant shall use the Bureau of Census NAICS code system to identify business cluster and industry sectors that are the best match. The consultant shall identify such business clusters or industry sectors to less than the fourth digit as used in the NAICS code system.

## **II STRATEGIC PLAN**

Using the information generated in the Assessment Phase, develop a diversification strategy to attract various business clusters and industries identified in the Assessment Phase and/or assist existing businesses and industries to grow or expand to meet the needs identified and lessen the county's/region's dependency on defense spending. The strategic plan should have primary emphasis on Martin, Monroe, Daviess, Greene, and Lawrence counties. This phase must include meetings as appropriate with the MBPC (which may identify others) to gather input on diversification opportunities to insure that the strategies developed are compatible with economic development strategies for the region. The contractor(s) will conduct an initial meeting and follow it up with interim meetings as necessary and present a final report to the MBPC.

The strategic plan should evaluate and recommend actions that could include:

- A. Incentive (financial and other) programs available from state, regional and local sources (public or private) to grow local businesses or industries identified in the Assessment Phase and how the incentives could be delivered to such businesses and industries, or attract business clusters or industries identified in the Assessment Phase.
- B. Workforce development and employee training and education programs available to such businesses, business clusters and industries and how such programs could be accessed or delivered.
- C. Existing, if any, industry support and entrepreneur development that could be accessed to promote economic development in the region.
- D. A recommendation of the adequacy of the existing infrastructure to support the businesses and industries identified in the Assessment Phase and how inadequacies of such infrastructure, if any, can and should be addressed.
- E. As necessary and appropriate how the county/region/state should address education, transportation and housing initiatives to support the attraction or growth of businesses and industries identified in the Assessment Phase.

- F. A framework for building community consensus, for engaging community wide participation in the implementation efforts, and for developing sustainable diversification initiatives.
- G. Methodology to deliver management, technical and marketing assistance to companies.
- H. A methodology to identify and prioritize additional implementation resources.
- I. A methodology to integrate the diversification plan with existing county/regional economic development plans.

### **III Marketing Plan**

The consultant will develop a prototype marketing plan to reach the targeted markets. The marketing plan shall recommend an appropriate mix and time schedule of advertising, public relations, promotions, etc., as well as an estimate of the overall funding required to communicate effectively with the target markets. The marketing plan should identify trade associations, trade shows, and trade publications that would be appropriate marketing vehicles.

### **IV. Implementation Plan**

Develop an action plan for accomplishing the tasks identified in the Strategy Phase including a budget, suggested assignment of responsibilities and establishment of milestones and deadlines. It should include a resource plan that identifies potential resources to implement the diversification plan. It should include a performance measurement component to determine the future success of implementation of the plan. The implementation plan should identify how “High Tech” business clusters involved in assembly, manufacturing, research or development of items that have military and industrial and commercial applications could be expanded in the region or attracted to the region. The implementation plan should discuss how connectivity to other technology activity within the state may also be suitable (e.g. creating a center of excellence which involves other government entities, academic institutions or industry). The purpose is to not only increase the technology base but to develop a strong link into the non-defense industrial and commercial sectors. It is anticipated that Crane with its technology can be a key player and an initial catalyst in forming this process and outcome. However, the consultant shall avoid in the implementation plan any strategy, plan or proposal to assist any business, including a business expansion, that would result in the relocation of a plant, facility, or operation from one Labor Market Area (LMA) to another if the relocation is likely to result in the loss of jobs in the LMA from which the relocation occurs.

## V. Submittals

Consultants are requested to submit a letter of intent to CTI regarding their interest in pursuing this proposal and express any modifications. Consultants are encouraged to submit a core proposal that addresses the Scope of Work detailed above. Consultants may also propose additional services to the scope of work that would significantly improve the diversification study. All proposals should include a clear description of the work.

To be considered, a proposal should respond to each item in the scope of work above and include all of the items in this section, which are listed below. The proposal shall be limited to no more than 25 pages (excluding covers and blank dividers) and a minimum text font size of 11 point. Graphics, resumes or references may accompany the proposal as attached appendices and will not be considered part of the 25 page limit.

At a minimum, the proposal should have the following sections and information:

1. **Cover Letter.** Provide federal tax identification number, state consultant's ability to complete the project given current workload, and guarantee proposal terms.
2. **Project Team and Qualifications.** Describe the principle firm, its qualifications and relevant experience. List all subcontractors with their qualifications and proposed work assignments. Include a description of experience in working successfully with similar organizations. Include an organizational chart illustrating key personnel, their project assignments and management flow.
3. **References.** Provide at least three references from analogous projects, including diversification plans. Each reference listed should include the organization, contact name, telephone number, e-mail address, and description and outcome of the work performed. For each contactor provide references from at least three relevant projects.
4. **Approach.** Provide a statement of understanding, an outline of work plan, and the consultant's approach to the project, including major milestones and a detailed schedule that shows work being completed within one year -of contract award.
5. **Budget.** Provide a not-to-exceed cost proposal for all work described under Scope of Work, broken down by project element.
6. **Contact Person.** Provide the name, postal address, e-mail address, telephone and fax number of the lead person authorized to enter into contractual agreement and answer questions related to the proposal.

7. **Appendices.** Resumes of key consultant staff members and firm references. This must include names of staff members that will be assigned to the project and the percentage of their time that will be allocated to the project. This is not part of the 25 page proposal limit.

Selection will be based on the quality of the response to this request for proposal, understanding of the issues confronting the region, consultant team make-up and specialties represented thereon, creative approach, overall problem solving abilities, experience with defense dependency diversification studies, creative approach to public finance and economic development and market analysis, ability to meet deadlines, price and overall experience and track record in dealing with issues of defense industry adjustment.

A selection committee will be designated by the IRDC to review proposals and hear presentations. After determining the list of offerors deemed qualified from the evaluation process, interviews will be scheduled with the 3 teams deemed most qualified. Notification of invitation to interview will be by telephone at least 1 week(s) prior to the interview date.

Selection criteria for rating proposals shall be as follows:

Scope of proposal	20 points
Work management plan	25 points
Consultant team qualifications	20 points
Consultant experience	35 points

The award will be made to the most responsible firm or team whose proposal is most advantageous to the program, with price and other factors listed above considered.

The study will be funded through grants from the Department of Defense Office of Economic Adjustment (OEA). IEDC will be the lead agency. A contract between the IEDC and the consultant will be subject to the requirements of OEA, IEDC and the State of Indiana. The award and performance of this contract shall be in accordance with all Federal, State, and local laws and regulations as may be applicable.

## **VI. Proposal Submission**

Submit three printed copies and one electronic copy of the proposal by 5:00 p.m. EDT on, Friday, August 18, 2006 to:

Mike Gentile  
Crane Technology, Inc.  
501 N. Morton Street, Suite 106  
Bloomington, IN 47404

All copies must be clearly marked "Proposal – Crane Economic Diversification".

Questions regarding the RFP may be addressed to Mike Gentile via mail (at the above address or via telephone 812.961.8804 or e-mail (CTI\_gentile@yahoo.com).

## **VII. Other Requirements**

CTI and IEDC reserve the right to modify the selection process or other aspects of this RFP at their sole discretion. CTI and IEDC reserves the right to accept a proposal even if it does not contain all of the information requested in the RFP. CTI and IEDC also reserve the right to reject or request replacement of individual team members or firms comprising the consultant team.